



North Carolina Department of Health and Human Services
Division of Budget and Analysis
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Michael F. Easley, Governor
Carmen Hooker Odom, Secretary

James B. Slate, Jr., Director

March 14, 2006

MEMORANDUM 2006-04

TO: Division Directors

FROM: Jim Slate

SUBJECT: **2006-07 Block Grant Plans Due to Budget and Analysis on April 3, 2006**

As stipulated by G.S. 143-16.1(b), the Block Grant Plans are to be prepared and submitted to Fiscal Research by April 20th. Prior to submission of the Block Grant Plans to Fiscal Research through the Office of State Budget (OSBM), Department management will review for accuracy, consistency and uniformity and will, as necessary, modify the recommendations of the Divisions. Some modifications may be driven by the Governor's expansion budget recommendations for DHHS. Budget and Analysis (B&A) agreed with OSBM to submit these plans to OSBM by April 11, 2006.

The nine Block Grants for which DHHS is responsible for developing and submitting plans are listed below along with the lead agency responsible for developing the plan:

<u>Block Grant</u>	<u>Lead Agency</u>
(1) Child Care and Development Block Grant	Division of Child Development
(2) Community Services Block Grant	Office of Economic Opportunity
(3) Low Income Home Energy Assistance Block Grant	Division of Social Services
(4) Maternal and Child Health Block Grant	Division of Public Health
(5) Mental Health Services Block Grant	Division of MH/DD/SAS
(6) Preventive Health Services Block Grant	Division of Public Health
(7) Social Services Block Grant	Division of Social Services
(8) Substance Abuse, Prevention and Treatment Block Grant	Division of MH/DD/SAS
(9) Temporary Assistance for Needy Families Block Grant	Division of Social Services

The same format is being used for the SFY 2007 Block Grant Management Plans as was introduced to you last year.

Block grants sometimes involve providing funding to divisions other than the lead division. For divisions that received funding from a block grant for which they are not the lead agency, they must submit all information on their particular block grant to the lead agency by March 21, 2006. This information should include the Funding Request form, the Prior Year Appropriations and Expenditure form, the Coversheet for Program Summary Reports form, the Detail of Non-Programmatic Fund Requests and the New DHHS Positions to be Established form. The division should copy their analyst when submitting information to the lead division.

The formats call for budget and expenditure information for the two preceding block grant periods. On previous block grant plan submissions, one year of actual data was included along with the preceding and current year block grant plans as adopted by the Legislature. In preparing the plan for 2006-07, you should use your same source as before for obtaining the actual expenditures by line for the 2004-05 block grant plans. Divisions with block grant funding will be responsible for projecting line item expenditures for each line in their respective budget codes. Budget & Analysis has worked with the Controller's Office to identify the availability of federal funds for the 2006-07 state fiscal year and will be sending it to you shortly.

If your agency's block grant impacts another division / agency, it is necessary for you to coordinate and collaborate with that agency in the development of the plan. Your analyst in this office is available to assist with that process. By engaging in this collaborative process during block grant plan development, our final plans should be much improved and have no surprises for other Divisions. This will also facilitate our meeting the required time frames for submission of the plans to OSBM and, subsequently, to the General Assembly.

Although discussions were conducted with Fiscal Research and the Office of State Budget, we will not be changing the means by which positions currently are funded by our respective block grants. We will continue to pursue this and will inform the divisions when any changes will be necessary.

Special Provisions Relevant to Block Grants

Review special provisions in Part V of Senate Bill 622 ratified by the 2005 Session of the General Assembly and determine special provisions that need to be retained, modified with minor changes, modified with substantive changes, deleted, and/or added. Use the attached list, Summary of List of Block Grant Special Provisions, add any other applicable special provisions, and place an "X" in the appropriate column. It is recommended that you address all provisions that have any impact on your division's operations. If any special provisions for your respective Block Grants need changes, please attach a copy of the modified special provision(s) with the Block Grant(s).

Information Due to the Division of Budget and Analysis

The Block Grant Plans with applicable Special Provisions are due to B&A by April 3, 2006. These should be sent electronically to your analyst. Also, submit a copy of any federal regulation for your block grant(s) that specifies public hearing requirements for the plan review.

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Upon review and final DHHS management approval of the Block Grant Plans, the Department will submit the plans to the Office of State Budget and Management for review and Governor's Office acceptance.

Please do not hesitate to contact your analyst in this office if you have any questions. Thank you for your prompt attention in this matter.

JBS/dl/pj

Attachments

cc: Carmen Hooker Odom
Allyn Guffey
Dr. Allen Dobson MD
Jackie Sheppard
Rob Lamme
Budget Officers
DHHS Budget Analysts